

**CITY OF ROCKVILLE**  
**FINANCIAL ADVISORY BOARD**

DATE: April 26, 2016  
*Black Eyed Susan Conference Room*  
TIME: 7:00PM

**Board Meeting**  
**MINUTES**

PRESENT: Board Members: Frank Anastasi, Kavita Dawson, Jack Kelly (Chair), Almon Turner  
Staff Liaison, Stacey Webster  
Mayor and Council Liaison, Councilmember Beryl Feinberg  
Staff Guests: Craig Simoneau, Jessica Blow, John Hollida, Heather Gewandter  
Guest and Prospective Board Member, Sara Kiesler

Absent Board Member: Michael Onyemelukwe

The meeting commenced at 7:00 p.m.

I. Approval of Minutes from February 16, 2016

Mr. Kelly asked for one correction on page 2. A motion was made by Ms. Dawson to approve the amended minutes from the February 16, 2016 meeting. The motion was seconded by Mr. Anastasi. All voted in favor.

II. Introduction of Acting City Manager, Craig Simoneau

Mr. Kelly thanked Mr. Simoneau for attending the meeting. Mr. Kelly proceeded to describe the Board's past relationship with staff. Mr. Simoneau described his philosophy of being open, honest, and confronting issues. His goal is to have a cooperative relationship with the City's Boards and Commissions. He is impressed by the staff and the Board members that are a part of the FAB, and said that Ms. Webster can coordinate other City staff's attendance at future FAB meetings if necessary.

Mr. Simoneau highlighted the recent Procurement Report and asked Ms. Blow to comment on the status of the recommendations from Calyptus. Mr. Simoneau reviewed the FY 2015 year-end process and said that Calyptus was here at the worst time; a time when Procurement had a backlog and lacked the appropriate staff to get contracts awarded in a timely manner. Mr. Simoneau assured the Board that this year will be completely different under the management of Ms. Blow.

Ms. Blow provided a brief update on the 6-month and 12-month tasks. Some of the completed items include: new p-card training, test, and manual; development of a new payment process flowchart; implementation of new auto release function for POs; and City code changes (currently underway). Many other items are in progress and Ms. Blow will provide an update to the Mayor and Council in July via a memo and tracking chart. Ms. Feinberg asked Mr. Simoneau if he could add this to the actual agenda for July so that Ms. Blow could present an update in public session.

Ms. Blow notified the Board that a new Senior Buyer was hired and started this past Monday. Her name is Cheryl Thomas and she has both public (federal) and private sector experience. Ms. Thomas has good customer service skills; she is an experienced buyer; and she is a proponent of process improvement, policies, and procedures.

Ms. Dawson asked Ms. Blow if they are investing in new software in order to accomplish some of the goals and recommendations in the Calyptus Report. Ms. Blow said that they are looking at new software as well as enhancements to the existing financial system.

Mr. Simoneau asked if the Board had any other questions for him. Mr. Kelly said that he is hoping that the Board and staff can have frank exchanges and collaborative relationships. Mr. Simoneau said that the Board should be adding value. Mr. Kelly asked Mr. Simoneau how the Board could be more effective in making recommendations to the Mayor and Council. Mr. Kelly passed out the draft memo on "Mayor and Council Priorities for FAB Activities." Mr. Simoneau related his experience in dealing with the Environment Commission and the Traffic and Transportation Commission when he was the Director of Public Works. Mr. Simoneau suggested looking at the Environment Commission for examples of how the Commission initiates their work plans and how they put forth issues to the Mayor and Council.

Mr. Simoneau said that most Boards and Commissions do not ask the Mayor and Council for their work plans; their work is driven by staff and the Board's own interests. Going forward, he suggested that the FAB might want to start with issues of interest to the Finance Department. When the Finance Department presents its recommendations on these issues to the Mayor and Council, they can be accompanied by a recommendation from the Board. Mr. Kelly asked whether Ms. Webster would be willing to provide the Board with a list of issues on which it plans to work this next fiscal year. Ms. Webster said she would provide such a list.

Mr. Simoneau stressed open communication and collaboration. Mr. Anastasi said that the Board should create a list of major items that are consistent with the Board's mission and important for the Mayor and Council. Ms. Dawson agreed with this approach and reiterated that the Board should develop an annual work plan that is reviewed by the Mayor and Council. Mr. Simoneau said that the Board should take their draft work plan to the Mayor and Council for approval.

### III. Action Items from February 16, 2016 Meeting

CIP Prioritization Scores – Ms. Webster passed out the CIP Prioritization scores from the FY 2017 through FY 2021 CIP process. She described the prioritized list, which is based on the scoring card from page 395 of the proposed FY 2017 budget. Ms. Webster clarified that the list represents the Capital Projects Fund projects only. She explained that five departments make up the prioritization committee: Recreation and Parks, Public Works, Information Technology, Police, and Community Planning and Development Services. Mr. Simoneau explained that major infrastructure projects generally gravitate to the top of the list and get funded; however, sometimes projects that fall to the bottom of this list also get funded because of Mayor and Council priorities.

Ms. Dawson suggested that the City consider maintenance and safety projects separate from the more discretionary projects. Mr. Simoneau stated that almost all of the projects that are currently on the list are related to maintenance and safety, and also stressed the importance of providing funding to maintain the City's current infrastructure.

Annual Audit RFP – Ms. Webster reported that Ms. Stein, the City’s Controller, would be happy to have the Board review the audit RFP, which will include a special audit related to hotel tax remittances. Ms. Webster will remind the Board of this project as it gets closer if the Board is still interested. Ms. Stein will begin to work on the RFP in late summer/early fall.

#### IV. Discussion of Watts Branch CIP Project

Mr. Hollida, Principal Engineer, described the Watts Branch CIP project, which he believes is one of the most important CIP projects for the City. Mr. Hollida started managing this project in 2010. He highlighted the sensitive nature of the project because of the impact to the park/forest area. He described the citizen’s task force and the mix of support that staff has received throughout the process. Through a collaborative process with the task force, the project grew in scope and cost because everyone was onboard with all of the designed improvements.

Mr. Hollida mentioned that the project had some issues, including the discovery of Native American artifacts. The City is currently waiting on a permit from the State to proceed with the project. Mr. Hollida wants to perform 95% of the work and abstain from the 5% which contains the artifacts.

Mr. Kelly asked about the nature of the task force. Mr. Hollida said that the task force is made up of members from the College Gardens HOA, Woodley Gardens HOA, the R&P Advisory Board, the Environment Commission, and one member from Plymouth Woods (the Plymouth Woods member is no longer involved).

Mr. Hollida introduced Heather Gewandter, Stormwater Manager, and explained how she manages the studies that lead to the projects. Ms. Gewandter has participated in all the task force meetings, and manages the grants that support the Watts Branch project. She explained that the City is able to secure grants because of the City’s ability to get the work done and the high quality of the work that is performed.

Mr. Simoneau explained the importance of getting the community involved early in the process and mentioned the “walk the block” program for sidewalk replacements. He also explained that sometimes it is difficult to get people involved at the beginning of the process. Usually people start to get involved when they see the plans developing and the construction starting. Mr. Hollida said that another challenging aspect is getting community support for all of the elements that staff recommends in a project.

The item concluded with the Board thanking Mr. Simoneau, Ms. Blow, Mr. Hollida, and Ms. Gewandter for attending the meeting.

#### IV. Discussion of Specific CAP Allocations

Ms. Dawson pointed out that an update to a CAP was not included in the FY 2017 proposed budget. Ms. Webster said that Finance would be in support of including this in FY 2017. Ms. Webster pointed out that Monday, May 2, is the final budget worksession and that the Mayor and Council would be making final adjustments to the budget.

Ms. Dawson considered a recommendation to review just the departments of Mayor and Council and City Manager in order to keep costs down in FY 2017. Ms. Webster said that if the Board has an

appetite to do the full CAP, it might be better to recommend it all at once in FY 2017. Ms. Webster checked her files and reported that the cost estimate for a full CAP was \$25,000.

Ms. Dawson provided an overview of the last CAP's results to the Board. Ms. Dawson asked the Board for support in making a recommendation to the Mayor and Council about including a full CAP update in the FY 2017 operating budget. The Board agreed and Ms. Dawson said that she would prepare a memorandum and attend the budget worksession on May 2.

#### V. Discussion of Supplemental Employee Contributions for the Pension

Ms. Dawson reviewed the pension fund actuary report for July 1, 2016. Ms. Dawson provided some background on this issue, describing the post recessionary impact on the City's pension fund. Ms. Dawson said that several years ago Art Stigile performed an analysis and recommended that the City trigger supplemental employee contributions in order to help rebuild the pension fund. Mr. Stigile presented this recommendation to the Mayor and Council and they took no action.

Ms. Dawson said that she reviewed the assumptions from the report that Mr. Stigile prepared and overall, things are consistent with what the actuary was projecting. Ms. Dawson is comfortable that the City will be able to make up the unfunded liability in the timeframe described by the actuary (absent another recession).

Ms. Dawson said that she sees no need for the Board to make any recommendations to the Mayor and Council at this time. The Board agreed.

#### VI. FAB Issues Status Report

Mr. Kelly explained that he would like to keep track of the Board's issues by writing issue papers. Ms. Dawson said that she liked the format of Mr. Kelly's report on Mayor and Council Priorities for FAB Activities. Ms. Webster gave Mr. Kelly a binder to compile the Board's issue papers.

#### VII. Future Agendas

This item started with Ms. Dawson describing a discussion that she had with Mayor Newton and Councilmember Feinberg prior to the meeting. The Mayor and Councilmember Feinberg named three issues that they would like the Board to comment on. The first issue was the potential to move the City's refuse and recycling charge to the property tax bill. Ms. Dawson explained that by moving the refuse and recycling charge to the tax bill, customers would pay for the service at the same time they pay their property tax. Tax payments are due in two installments each year (September 30 and December 31). Property owners with a mortgage that is serviced through an escrow account would contribute into their escrow account over 12 months for payment in September and December. Several members of the Board explained that there has been some misunderstanding in the community about the change. The Board discussed the negative and positive aspects of this change, and decided not to comment on this issue.

The second issue related to the proposed upgrade to the parking meter heads. Ms. Dawson said that funds were included in FY 2018 to upgrade parking meters. Ms. Webster explained that \$300,000 was included in FY 2018 and \$300,000 in FY 2021 for the replacement. Ms. Webster explained that the Mayor and Council discussed their dissatisfaction with this item at the last budget worksession, and consequently, staff revised the budget to remove the parking meter replacement costs from the Parking

Fund and reduce the future General Fund transfers. The Board agreed that they did not need to comment since staff addressed the issue in the City Manager's updated recommendations.

The last item that the Mayor and Councilmember Feinberg mentioned was salary lapse. Ms. Dawson described Councilmember Feinberg's concern and asked in what format staff reports this information to the Mayor and Council. Ms. Webster explained that the net unspent personnel numbers are presented in the quarterly financial report and that the Human Resources Department provides a report that lists all the vacant positions. Mr. Kelly said that the Board provided a previous recommendation on this issue. The Board discussed ways in which the Mayor and Council could spend these funds if they desire, and concluded with Ms. Dawson saying that she would follow up with Councilmember Feinberg.

The next meeting is scheduled for **June 7, 2016**, and will include:

- I. Approval of Minutes
- II. Action item follow up from April 26, 2016 meeting
- III. Financial Advisory Board Action Plan for FY 2017
- IV. FAB Issues Status Report
- V. Future Agendas

Action Items:

- Ms. Webster will send the Board the details on the proposed change to refuse billing
- Ms. Dawson will send the Mayor and Council a recommendation to include \$25,000 in the FY 2017 operating budget for an update to the Cost Allocation Plan
- Ms. Dawson will attend the budget worksession to present the Board's recommendation on the Cost Allocation Plan
- Ms. Webster will provide the Board with a list of projects that staff will be working on during FY 2017
- Mr. Kelly will work on the FAB Issues Binder
- Mr. Kelly will work on the FAB Action Plan for FY 2017, which may reflect Finance staff priorities as well as other topics of interest to FAB members
- Ms. Webster will send the Board contact information for all members
- Mr. Kelly will reach out to the Chair of the Environment Commission to learn more about their successful interaction with staff and the Mayor and Council

The meeting adjourned at 9:33 p.m.